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ABSTRACT

This annotated bibliography on higher education finance lists 79 journal articles, books, conference papers, and reports originally published from 1973 through 1995 with most published in the 1990s. Citations include lengthy analytical summaries and critiques. The bibliography is presented in six sections which cover the following topics: (1) trends in higher education finance; (2) financing students; (3) state budgeting policies; (4) federal programs and policies; (5) financial management of higher education; and (6) collections and bibliographies. (JLS)

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HIGHER EDUCATION FINANCE

An Annotated Bibliography

Prepared by

THE CALIFORNIA HIGHER EDUCATION POLICY CENTER

February 1996

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HIGHER EDUCATION FINANCE

An Annotated Bibliography

By William Doyle

A Technical Report Prepared by
The California Higher Education Policy Center

February 1996

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SECTION ONE

Trends in Higher Education Finance

Baum, Sandra R. "New Directions in Student Loans: Intergenerational Implications." Prepared for the Association of Public Policy Analysis and Management, Chicago, October 1994. Photocopy.

Baum investigates current student loan programs to understand whether the parent or the student is bearing the majority of the burden of financing higher education. She cites two trends: the PLUS loans and parental savings programs (which lead to more parental contribution) and the increase in student loans (which leads to more student contribution).

Baum then begins a lengthy discussion of the need for parents to finance the higher education of their children to the greatest possible degree. She proposes several economic models that support this proposition. Her strongest arguments, however, come not from any of the market models she cites, but from the observation that family relationships cannot be explained through a market model.

The next section of the paper investigates the several new modes of lending, all of which tend toward increasing the burden on students. While the author realizes that most families cannot reasonably be called upon to shoulder the entire burden of payment, she opposes a shift to students financing their entire education.

In the end, she argues that parental responsibility must be stressed if any of the new programs are to work effectively for both students and parents.

Breneman, David W. *Higher Education: On a Collision Course With New Realities.* Boston: American Student Assistance, December 1993.

In this report, Breneman sketches the current situation in higher education financing and offers possible outcomes and alternatives. Policy recommendations are made for each of the four major "players" in financing higher education. For institutions, the options include: doing less with less, doing the same with less, or changing the educational delivery system through innovation. For states, stabilizing funding and increasing budgetary efficiency are recommended. For the federal government, loan reform and national service are options. And for philanthropy, incentives for leadership and critical evaluation of institutions are recommended areas for funding.

The current situation is different than other times of financial crisis because it is not just a rough spot, but a fundamental restructuring of the society which will have serious repercussions throughout the higher education community. What higher education policy makers must understand, according to Breneman, is that short-term solutions will make the problem worse, and that significant change is necessary to solve current problems.

California Postsecondary Education Commission. *Higher Education at the Crossroads: Planning for the Twenty-First Century*. Sacramento: 1990.

This report provides CPEC's evaluation of the state of California higher education and its recommendations for the continuation of the Master Plan directives. Its main finding is that there will be marked increase in enrollments at all segments of California Higher Education. To accommodate this growth, the commission considered several solutions.

Funding is likely to continue to be scarce for the UC and Cal State systems, but because of the provisions of Proposition 98, community colleges will have enough funds to grow.

The alternative measures discussed include educational technology, use of transfers, year-round operation, shared use of facilities, and shortened time to degree (for both undergraduate and graduate students). Only shared use of facilities and use of transfer were supported by the report. The report has few other policy recommendations, beyond supporting the UC system in creating another campus, and opposing the state system in its plans to create another campus.

Clotfelter, Charles T., et al. *Economic Challenges in Higher Education*. Chicago: University of Chicago Press, 1991.

This book provides an in-depth analysis of three different areas of challenge for higher education: the demand for undergraduate education, the academic labor supply, and the cost and productivity of higher education. The demand is increasing ever more rapidly while the supply of Ph.D.'s is declining and costs are rising.

Galloway, Fred J., and Terry W. Hartle. "Student Borrowing: How Much Is Too Much?" Draft Report prepared for the American Council on Education's Symposium on Student Debt Burden, November 1994. Photocopy.

Galloway and Hartle point out the massive increase in borrowing that has occurred in the last two years, and they suggest a variety of reasons for this trend. Of more importance, however, are the implications of this trend.

The authors point out that heavier debts mean little by themselves. It is the students' abilities to pay off the loans that concern the authors. While borrowing has increased at a dramatic rate, the incomes of recent college graduates have not. This implies that the huge debts amassed in college will take longer periods of time to repay, and will incur a greater cost on graduates.

The report ends with recommendations for further research, including: obtaining accurate, recent data on borrowers, information on total debt incurred by students (including non-educational debts), and information on what students know about their loan obligations.

Gladieux, Lawrence E. "Bright Hopes and Paper Promises: The Changing Picture of Student Aid Policies in the 1990s." Reprinted from *The College Board Review* 166 (Late Winter 1992-93). Photocopy.

Gladieux highlights recent major problems in higher education with proposed solutions from the current federal administration. The article provides excellent graphs and breakdowns of

student aid.

Centering on federal student aid programs, the paper outlines a history of the legislation providing for grants and loans to students, and the current state of these programs. Gladieux offers insight into the federal priorities that led to Pell Grants and guaranteed student loans. He also notes the changes that have occurred through legislation.

One of the most important of these is in the loan/grant imbalance that has occurred over the years. Federal loans were initially meant as a way for middle-class families to get over the hump and finance college education without immediate depletion of savings. Federal grants were meant for the extremely needy. However, with changing legislation, grants became available to the middle class, and were used extensively. Loans became the number one way to finance higher education for the lower classes.

In this way, the entire picture of federal aid for higher education has changed from a logical plan to a nonsensical construct based on political pressures rather than actual policy directives.

— — —. "The College Affordability Crisis and Public Policy in the 1990s." In *National Issues in Education: The Past Is Prologue*, edited by John F. Jennings. Washington, D.C.: The Institute for Educational Leadership, 1993.

This article reviews the costs of higher education and the availability of federal student aid. It presents major problems with the federal student aid picture, mostly due to constantly changing policies and therefore different targets for subsidies. This article is very similar to Gladieux's "Bright Hopes and Paper Promises."

Griswold, Carolyn P., and Ginger M. Marine. "A Case Study Analysis of Political Influences on State Tuition and Aid Policy: Higher-Tuition, Higher-Aid, and the Real World." Presented at the Annual Conference of the American Educational Research Association, New Orleans, April 1994. Photocopy.

The authors, in studying various theories regarding high-tuition/high-aid strategies, surmise that while all such theories may have strong theoretical premises, none has been explicitly tied to any empirical evidence of its success. This report attempts to provide this link by reviewing five case studies of states that have had some experience with raising either tuition or aid or both. These states are: New York, California, Washington, Massachusetts, and Minnesota.

In New York and California, legislators found that raising tuition created a great public outcry, while reducing appropriations to student aid had no such effect. This has interesting implications for the implementation of any high-tuition/high-aid financing policy.

In Massachusetts, a high-tuition/low-aid program is being adopted through ad hoc budget increases and a lack of any coherent planning.

In Washington, there is an explicit link between tuition and aid, but once again, legislators found it politically more appealing to cut aid or move from grants to loans than to raise tuition.

In Minnesota, the high-tuition/high-aid policy has met with some success. The only problem encountered in Minnesota is that any tuition increase, even if necessary for the funding of aid programs, is met with extreme resistance. The "sticker shock" effect remained strong in all case studies.

The authors end by emphasizing that any policy that links tuition and aid must seek to understand both the means and the ends of their program. Any program that is implemented without the means to continue itself will most likely become a high-tuition/low-aid program through ad hoc budgeting.

Hauptman, Arthur M. "A Changing Federal Role in Providing Student Financial Aid?" In *National Issues in Education: The Past Is Prologue*, edited by John F. Jennings. Washington, D.C.: The Institute for Educational Leadership, 1993.

In this article, Hauptman presents a short history of federal student aid and explains the current debates occurring in Washington, D.C., concerning changes in financial aid. Some of these changes include a new direct federal loan program, grant entitlements, and income contingent repayment of loans.

Hauptman argues that the federal role in financing higher education may change in that the government may begin a series of direct loans rather than extending the current system of using private financing companies. The federal government may also make grants an entitlement for those low-income students who qualify, aiding the most needy students in gaining access to postsecondary education without incurring exceedingly high debt levels.

———. *The Tuition Dilemma: Assessing New Ways to Pay for College*. Washington, D.C.: The Brookings Institution, 1990.

Hauptman proposes a number of innovative personal, institutional and governmental reforms in this study on new ways to pay for college. He recommends savings incentives, subsidized loan repayment over longer periods of time, and better targeting of financial aid to the needy with subsidized direct loans offered to the middle class.

Among the alternative financing plans he suggests are tuition prepayment plans, state and federal savings plans, and plans that combine savings and guarantees. Tuition prepayment is a difficult option, mainly because of the significant number of risks that must be taken by parents. State savings plans could include bonds, or incentives for savings used only on higher education. Federal savings plans could be similar, but could offer more substantial incentives, especially to middle-class families.

The study ends with a set of policy objectives for the players in higher education, namely parents and students, institutions, and state and federal governments. For students and families, a main goal is to save more, and to create means of financing higher education through loans and combined savings and work efforts. For institutions, providing maximum efficiency in order to educate more students for less money is a priority. For the federal government, priorities include providing substantial grants to needy students, along with subsidized loans and savings incentives for middle-class students.

Jennings, John F. "Commentary on Postsecondary Education." In *National Issues in Education: The Past Is Prologue*, edited by John F. Jennings. Washington, D.C.: The Institute for Educational Leadership, 1993.

In this brief review of changing policies in federal student aid, Jennings speaks generally about the federal government's changing policies on student aid. The article claims that the

most important decision made by the government in relation to its history of involvement in higher education has been to fund student aid.

The type of student aid receiving funds and the reasons for this began with fairly clear-cut issues, but has become a muddle of conflicting policy agendas. The four major issues that were facing higher education at the time were: how to expand aid to middle-class families, whether to ensure funding for grant aid by making Pell grants an entitlement, whether to create a loan program directly funded and administered by the federal government, and how to reduce the default rate in the student loan programs.

The author relates how the Bush administration dealt with (or did not deal with) these issues, and remarks that many of the issues that were resolved are most likely to be brought up again during the Clinton administration.

Kramer, Martin. "Changing Roles in Higher Education Finance." In *Background Papers and Reports of the National Commission on Responsibilities for Financing Postsecondary Education.* Washington, D.C.: National Commission on Responsibilities for Financing Postsecondary Education, April 1993.

This report reexamines the questions in the Carnegie report, *Higher Education: Who Pays? Who Benefits? Who Should Pay?*, in terms of today's policies and fiscal realities. It contains very useful information, including a "taxonomy" of the benefits of higher education.

Kramer's analysis in the first section of his paper is divided into three parts, each of which asks the question "Who benefits?" as a precursor to "Who pays?" He claims that if the beneficiaries of higher education were to become clear, then the question of who should pay for these benefits would also be clear.

Higher education can be seen as an investment with very high returns. Kramer argues that although this is partially accurate, it does not take into account the many benefits society receives from educating its populace. Higher education as an investment in employees is also partially accurate, but many employers are only interested in non-transferable benefits. And lastly, intergenerational equity also is a concept that has much merit, but does not take into account the eventual complexity of financing higher education.

In the second part of his report, Kramer details a history of burden sharing and its results in higher education today.

Lenth, Charles S. *The Tuition Dilemma: State Policies and Practices in Pricing Public Higher Education.* Denver: State Higher Education Executive Officers, December 1993.

As Lenth explains, "this report examines, in detail and from several perspectives, state policies and procedures affecting public institution tuition in the 1990s." Policy recommendations are few, although Lenth emphasizes that tuition should not become the major source of funding for any university.

Lenth notes that tuition is much more than simply a way of financing higher education, and that many state administrations and institutions of higher education make the mistake of underestimating the public policy ramifications of changing tuition. This is because tuition is the interface point between the public and government policy. Those in higher education see it as only part of the equation, while those outside of higher education see it as the whole of financing education.

McPherson, Michael S., and Morton Owen Schapiro. *College Choice and Family Income: Changes Over Time in the Higher Education Destinations of Students From Different Income Backgrounds.* Williams Project on the Economics of Higher Education, Discussion Paper 29. Williamstown: Williams College, November 1994.

This paper, in analyzing the influence of income on college choice, corrects many preconceptions held about this area.

For high-income students, the movement has been away from private universities and colleges and into public universities. The authors point out that this puts an enormous strain on the system.

For middle-income students, the movement consists of a flight from community colleges into public universities, while the overall percentage of middle-income students in private universities has remained the same. The "middle-income melt" that has been observed in private universities is due to an overall decline in middle-income students in both public and private institutions of higher education.

Lower-income students have become increasingly concentrated in community colleges and vocational schools.

McPherson, Michael S., and Morton Owen Schapiro. "Skills Innovations and Values: Future Needs for Postsecondary Education." (Publication information unavailable.) Photocopy.

This paper documents the future needs of higher education. The authors begin with a brief analysis of the present situation of postsecondary education in the United States. They cite the rising tuitions coupled with no compensatory increases in student aid, except for institutionally based resources. They also point out that these pricing policies are creating an increased stratification, with low-income students concentrated in community colleges, and high-income students enrolling more and more in private universities.

The authors then point out the three areas in which they believe higher education will play a crucial role: skill development and professional training, research and innovation, and values education.

Skill development will become no less important for higher education, and the country needs to increase its investment in this aspect of higher education. Of particular importance to the authors is the education of those in need of vocational skills. The current system, they argue, produces a top-notch education for the upper echelons of students, but does little or nothing for those who need vocational skills.

Research and innovation will continue to occur only if the government and institutions realize that the payoffs of much public research are uncertain and slow in coming.

Values need to be taught, the authors argue, so that our increasingly complex technology does not surpass our ability do interact morally with each other.

Mortenson, Thomas G. "Restructuring Higher Education Finance: Shifting Financial Responsibility from Government to Students." Prepared for the Eleventh Annual Financial Aid Research Network Conference of the National Association of State Scholarship and Grant Programs and the National Council of Higher Education Loan Programs, San Francisco, April 7, 1994. Photocopy.

The author argues that financial responsibility for higher education has shifted from society to students, and that therefore the government should increase its role in financing the higher education of needy students. Mortenson argues that the "one price fits all" model is not effective anymore, and should be abandoned.

In his conclusion, Mortenson asks, "How do you broaden postsecondary education and training opportunities for people when the share of social resources provided by government for this purpose is being reduced?" The answer provided in his paper is that educational access is being reduced, not broadened, and those who can afford to attend an institution of higher education have to shoulder more of the burden than any other group. Most groups that had a stake in financing higher education—parents, local, state and federal governments, and philanthropy—are absolving themselves of the responsibility for promoting educational opportunity. Such actions, according to Mortenson, will have significant repercussions in the future.

Schapiro, Morton Owen, Michael P. O'Malley, and Larry H. Litten. " Tracing the Economic Backgrounds of COFHE Students: Has There Been a 'Middle Income Melt?'" Prepared for the Consortium on Financing Higher Education, Cambridge, November 1990. Photocopy.

The data in this report are drawn from the enrollment rates only at those schools represented in the Consortium on Financing Higher Education (COFHE), which includes most of the institutions (32) widely identified as the "elite" colleges and universities in the United States, including the Ivy League universities. The data reflect some interesting trends in higher education: First, the authors argue that over the last decade the percentage of students from middle-income families at COFHE institutions has declined. They go on to claim, however, that this should not be considered a "middle-income melt" since a substantial portion of the decline is due to the decrease of such families in the society at large. Secondly, the authors reveal that there are disproportionate numbers of students from the highest income bracket who are attending elite public institutions. This second trend is very interesting in terms of equity considerations.

The report also finds that in terms of the percentage of income paid, the burden of paying for a private education falls most heavily on lower-income families, not on middle-income families as was previously suspected. Lower-income families, even with substantial financial aid, are still forced to pay much more of their income than any other group.

Zumeta, William. "State Policy and Budget Developments." In *The NEA 1995 Almanac of Higher Education*. Washington, D.C.: National Education Association, 1995.

Zumeta cites the daunting prospects facing institutions of higher education as they attempt to respond to increased enrollments and shortages of funding. He also notes that most responses have been short-term, and suggests a few policy options to improve the situation.

Zumeta stresses that the key elements in reform will be in "pruning" certain parts of

institutions and reducing systemwide duplications. He stresses the need for extensive administrative reductions. Also, he argues that institutions need to undertake "meaningful internal restructuring" that will increase access without changing quality.

Other solutions include routing lower-division students into community colleges, and the use of subsidies to route students into independent institutions.

SECTION TWO

Financing Students

Alchian, Armen A. "The Economic and Social Impact of Free Tuition." In *The ASHE Reader on Finance in Higher Education*, edited by David W. Breneman, Larry L. Leslie and Richard E. Anderson. Needham Heights, Massachusetts: Ginn Press, 1993.

Alchian argues that the producers of higher education in a zero-tuition system are the only ones given any say regarding the quality of the institution. The best way to restore power to the consumers of this education is to give them purchasing power over the product. He claims that tuition should be raised and that students should be given vouchers of federal aid according to their need and their choice of institution. This will increase the power of the students, a desirable end for the author. With this method, institutions will have no recourse but to become more responsive to the needs of students.

Alchian also argues that since college-caliber students possess great wealth in the form of human capital, there are therefore no "poor" college students. He believes that subsidizing higher education is akin to subsidizing the drilling of oil fields; anyone capable of completing college has enormous wealth in the form of human capital, and will receive enhanced earnings from his or her college education. Therefore, subsidizing college education is an unnecessary and illogical process.

Baum, Sandra R. "Financing Liberal Education in America: Public and Private Responsibilities." In *America's Investment in Liberal Education*, edited by David H. Finifter and Arthur M. Hauptman. San Francisco: Jossey-Bass Publishers, 1994.

The author argues that "families and students should take more responsibility for financing their own educations, at the same time that public subsidies are targeted at low-income students." Saving and borrowing for college are emphasized, especially for middle-class families.

Baum prefers to see a shared responsibility between students and parents, with most of the burden falling on the parents, and subsidies and loans only being used by those families in which the parents are absolutely incapable of paying the costs of higher education. Baum believes that intergenerational equity is the most feasible method of assuring the long-term survival of higher education.

Baum also believes in higher tuitions as a means of assuring equity. She says that the current system can only assure inequity in the form of poorer persons subsidizing the education of richer persons at public institutions. Within the system of high-tuition/high-aid, parents would still hold the burden of responsibility, but would be given a more equitable deal in terms of costs.

Baum, Sandra R. "New Directions in Student Loans: Intergenerational Implications."

(See Section One.)

California Postsecondary Education Commission. " Family Financial Resources of California Undergraduates." Presented by Karl M. Englebach and Christopher W. Carter to the Ad Hoc Committee on the Financing and Future of California Higher Education (Commission Agenda Item 1), February 21, 1993. Photocopy.

This report discusses the various financial resources of students in different sectors of California Higher Education. Most important is the variability of independence among the different sectors. Community college students are most likely to be independent, and University of California students are least likely to be independent. As a direct result of this, the UC students have the most resources available to them, while community college students have the least.

There are two basic policy considerations made by this report. First, it questions whether the state-sponsored universities should continue to provide a subsidy to students whose parental income totals more than $96,000, and whether it should provide a similar subsidy to independent students whose income totals more than $60,000.

The second policy consideration entails asking whether the state can learn anything from the financial aid system used by private universities, and whether the state should use a similar system.

California Student Aid Commission. "Charting New Directions: A Proposal for Restructuring the State's Cal Grant Program and Student Loan Program Operations."

(See Section Three.)

Committee for Economic Development. "A Strategy for Better Targeted Economic Support." In *The ASHE Reader on Finance in Higher Education*, edited by David W. Breneman, Larry L. Leslie and Richard E. Anderson. Needham Heights, Massachusetts: Ginn Press, 1993.

The committee recommends that a high-tuition/high-aid approach be put into place across the United States to better target government subsidies on the truly needy.

The committee finds it very important to link tuition and aid strategies. They cite the lack of this link in creating many of the undesirable, high-tuition/low-aid situations that exist.

The basic recommendations of the committee consist of grants to low-income students and loans to middle-class students, with incentives for private giving and institutional achievement of social goals.

Galloway, Fred J., and Terry W. Hartle. "Student Borrowing: How Much Is Too Much?"

(See Section One.)

Griswold, Carolyn P., and Ginger M. Marine. "A Case Study Analysis of Political Influences on State Tuition and Aid Policy: Higher-Tuition, Higher-Aid, and the Real World."

(See Section One.)

Johnstone, D. Bruce. "The Costs of Higher Education."

(See Section Four.)

———. *Sharing the Costs of Higher Education.*

(See Section Four.)

McPherson, Michael S., and Morten Owen Schapiro. *Keeping College Affordable: Government and Educational Opportunity.* Washington, D.C.: Brookings Institution, 1991.

This book provides details concerning the current costs of higher education and the financial aid available. The authors recommend that financial aid become centralized at the federal level, with grants targeted at lower-income students and a federal direct-loan program focused on middle-income students.

After assessing the nation's current situation in terms of costs and access to our universities, the authors end the book with a series of policy recommendations. These include sweeping reform of the nation's system of financing higher education, beginning with a centralization of responsibility for student aid at the federal level. The authors argue that the federal government is the only agency capable of ensuring widespread social equity and progressivity.

Also included in their recommendations for reform is a call for more research in two areas: proprietary institutions and the comparative returns of different forms of postsecondary education. There is, according to the authors, surprisingly little information available regarding both of these fields, and a full-scale investigation into both is warranted.

Mortenson, Thomas G. "Financing Higher Education Opportunity in the 1990s and Beyond." Presentation to the Panel on Educational Opportunity and Postsecondary Desegregation, the Southern Education Foundation, Atlanta, March 1994. Photocopy.

Mortenson favors a high-tuition/high-aid plan as the best way to equitably subsidize the financing of higher education. For Mortenson, financing higher education is a good investment for society as a whole. If we do not invest in higher education today, then the costs of not doing so will be visited upon us later, and they will be much higher. These costs will be the costs of unemployment, of welfare, of basic literacy training, and of correctional facilities.

To avoid these costs in the future, Mortenson argues that the needs of those in the most disadvantaged groups must be met. To do this, institutions must charge tuitions much nearer to their actual cost of instruction. Through means testing, those able to pay this cost should do so, while those who cannot meet these costs will be given financial aid up to their ability to pay. This will end the current situation of public education, which involves low-income taxpayers financing the educations of wealthier students.

— — —. "Restructuring Higher Education Finance: Shifting Financial Responsibility from Government to Students."

(See Section One.)

National Commission on Responsibilities for Financing Higher Education. *Making College Affordable Again.* Final Report.

(See Section Four.)

Orfield, Gary. "Money, Equity, and College Access." *Harvard Educational Review* 62 (Fall 1992): pp. 337-372.

Orfield explores the rapid rise in tuitions coupled with the dramatic decrease in aid for the very poorest segments of society. He does not address the issue of the causes of the rapidly expanding costs of college, but instead looks at how access to college has been affected by the increase in tuition coupled with decreases in aid.

Orfield does find a cause for the lack of federal funding for student aid, saying that it is largely a result of attempting to provide grant entitlements to the middle class. This has had devastating repercussions for the very lowest income groups, for whom the grants were originally intended.

This drop in aid, coupled with an enormous growth in the costs of higher education, has put a college education further out of reach for those who need it most desperately. To remedy this problem, Orfield suggests several solutions directed toward the most disadvantaged groups in society. He suggests that the first two years of college for very needy students be subsidized through grants and the last two years through subsidized loans. He also suggests ending the eligibility of ineffective institutions, and exempting from default penalties those schools that service "at-risk" students.

The targeting of these at-risk students is crucial for Orfield. He suggests eliminating middle-class eligibility for grants and increasing the scale of financial aid laws so that equal access to higher education may be attained by those currently at a significant disadvantage.

Rudenstine, Neil L. "National Press Club Address."

(See Section Five.)

Silber, John. "How the Earthlings Pay for College—A View From Mars." In *America's Investment in Liberal Education,* edited by David H. Finifter and Arthur M. Hauptman. San Francisco: Jossey-Bass Publishers, 1994.

Silber proposes the Tuition Advance Fund (TAF) which would involve the government fully financing higher education for anyone who attends college. Students would then pay back their debt up to 150 percent of the original loans through pre-arranged percentage income taxes. The main philosophic rationale behind Silber's plan is to begin treating students as individuals rather than dependents, and to place upon them the entire burden of financing a

higher education. By taxing future income, the TAF would depend on a measure of the student's future, rather than the student's past. Because of the fact that college graduates have much higher lifetime earnings than those without degrees, Silber thinks that it is fair that they repay their debts.

The fund would become self-sufficient in ten to fifteen years, Silber says, and at that point would end the need for the massive number of federal agencies involved in financing higher education. It would simplify and streamline the system, using the already available facilities of the IRS to tax students' incomes. In twenty years or so, the fund could even begin repaying the government's initial outlays, and would become truly independent. This is, according to Silber, the only logical plan for financing higher education in the United States.

Topper, Michael D. "Student Loans, Debt Burdens, and Choice of Major." *America's Investment in Liberal Education*, edited by David H. Finifter and Arthur M. Hauptman. San Francisco: Jossey-Bass Publishers, 1994.

Topper claims that increases in the level of student debt cannot explain the decline in the share of students selecting liberal arts majors. He claims, rather, that this decline is due to the rise of older, part-time students who are financially independent. The author uses data from a survey of institutions and individuals, as well as average starting salaries for those in different majors. He also argues that at the same time that there has been a significant decline of students majoring in humanities, the salaries for those graduating with degrees in humanities has not declined.

SECTION THREE

State Budgeting Policies

Albright, Brenda Norman, and Dianne Suitt Gilleland. "A Clean Slate: Principles and a State Higher Education Funding Model." Draft presented to the Professional Development Seminar for State Higher Education Finance Officers, State Higher Education Executive Officers, August 20, 1993. Photocopy.

This paper asks the question: What if a state started with an absolutely clean slate in terms of funding its system of higher education? Recommendations include:

1. Long-range planning with built-in stability.
2. New funding parameters across external and internal boundaries with provisions made for special-purpose funding.
3. Diverse institutions and missions.

Bateman, Mark, and Roger W. Elliott. "An Attempt to Implement Performance-Based Funding in Texas Higher Education: A Case Study." In *Focus on the Budget: Rethinking Current Practice*, edited by Rhonda Martin Epper. ECS Publication No. PS 94-2. Denver: Education Commission of the States and the State Higher Education Executive Officers, 1994.

The authors cite the failed attempt by Texas higher education policy makers to implement performance-based funding in higher education. The basic plan had three proposals: first, appropriations would be made by the Senate for the achievement of certain goals. Second, the performance of all institutions in meeting this goal would be measured. Third, the funds would be appropriated to individual institutions on the basis of their contribution to the state's overall performance.

The attempt failed for several reasons: the goals were not necessarily appropriate, there was a lack of individuation to each institution's mission, some of the measures were accused of being anti-quality, and there are no successful models of performance-based funding. The main lesson learned by those involved in the case was that there must be a more effective measure of both performance and quality before any form of performance-based funding will function well.

Breneman, David W. "A Model Data Collection and Analysis System for Higher Education." Harvard Graduate School of Education, Cambridge, 1993. Photocopy.

Breneman presents a means to collect data on higher education. The data collection model is from the Illinois Board of Higher Education, which collects information from institutions on an institutional basis and by various sub-functions. This helps the board make policy

decisions regarding not only whole universities, but also the functions of the universities. An example of the data collected using this method is included, as are explanations of some of the meanings of the collected data.

Breneman believes that a data-collection system of this type, if used in California, could aid meaningful policy discussion by backing up proposed changes in institutions and functions with liberal amounts of data.

Brinkman, Paul T. "The Cost of Public Higher Education in California." California State University System Office, Sacramento, February 1993. Photocopy.

This report provides an analysis of costs in both the CSU and UC systems, and a comparison of those costs to other "megastates" and between the two California systems. The report finds that costs are higher in California. The author's argument, however, is that the education one receives in California may be worth the increased cost. Since the "product" has not been measured, efficiency cannot be determined.

The first portion of this essay concerns itself more with the methods used in any cost analysis of this sort, and Brinkman's own methods in this cost analysis. He suggests that the ideal analysis would find more precise units to measure and would provide an index of measurement that would allow more precise comparisons between institutions.

California Postsecondary Education Commission. *Higher Education at the Crossroads: Planning for the Twenty-First Century.*

(See Section One.)

California Student Aid Commission. "Charting New Directions: A Proposal for Restructuring the State's Cal Grant Program and Student Loan Program Operations." Sacramento, March 1993. Photocopy.

This report from the California Student Aid Commission (CSAC) includes several proposals regarding the future of student aid in California. The commission recommends redirecting funding for Cal Grant awards from the Student Aid Commission directly to California's public institutions of higher education. They recommend continuing to fund Cal Grants for students at independent and at vocational institutions. They recommend one program for each of these segments.

Also, the commission recommends its own elimination and replacement with a private, not-for-profit financial aid foundation. This foundation would function as the state's guarantee agency for its loan program. It would also administer the new Cal Grant program for students going to independent or proprietary institutions.

Caruthers, J. Kent, Joseph L. Marks and J. Kenneth Walker. "Important Safeguards in Funding Processes For Public Higher Education." In *Focus on the Budget: Rethinking Current Practice*, edited by Rhonda Martin Epper. ECS Publication No. PS 94-2. Denver: Education Commission of the States and the State Higher Education Executive Officers, 1994.

This article investigates the various implications of implementing different programs for funding higher education. Included in this analysis are the possible results of changing financing in order to address the following concerns: state revenue shortfalls, accountability, and focusing on research and teaching.

In responding to state revenue shortfalls, institutions can reduce service, freeze budgets, or increase nonstate funding. Reducing service threatens access, freezing budgets emphasizes maintenance of the status quo, and increasing nonstate funding can either limit access or change institutional missions.

In responding to concerns about accountability, institutions can control spending by function, provide categorical funding for special concerns, or create incentive- or performance-based funding. Controlling spending by function can create incentives for inefficient operations, while providing categorical funding can invite political intrusion. And lastly, incentive-based funding can encourage unhealthy competition.

To focus on teaching and learning, an institution can convert formulas to being outcome- rather than income-driven, combine process and outcome variables in one formula, or adjust cost factors to redirect funds from upper to lower levels. Outcome-driven funding, however, can threaten the adequacy of funding overall. Combining process and outcome variables creates a very complex funding process. Finally, with the redirection of funds to lower levels, there is no guarantee that internal campus allocations would change.

Folger, John, and Dennis P. Jones. *Using Fiscal Policy to Achieve State Education Goals*. ECS Publication PS 93-1. Denver: Education Commission of the States, August 1993.

Folger and Jones provide a taxonomy of different forms of special-purpose funding and guidelines for their use. This is an excellent reference for different forms of special-purpose funding and the types of policies that each can be used to implement.

The authors detail several forms of special-purpose funding and their uses and abuses: block grants, initiative funding, incentive funding, and student funding. The authors recommend that about 10 percent of funding should be set aside for special purposes. That way, the base budget will stay in place to achieve normal year-to-year functioning, while special-purpose funding can be used to implement new policies.

Block grants (grants for the accomplishment of one goal) should be given with very specific guidelines for their use. These guidelines should be clear and achievable, and evaluation should be built into the process of allocation.

Competitive grants (given to the university that creates the best program to achieve a certain goal) should feature a fair, competitive process, should include an award sufficient to implement the program, should contain sufficient funds for the new program to be institutionalized, and should have program effectiveness built into the process of allocation.

Incentive grants should be based on clear goals and an efficient evaluation process. They should be offered to institutions that have the capability of achieving stated goals, and they should allow for changes to become institutionalized.

Griswold, Carolyn P., and Ginger M. Marine. "A Case Study Analysis of Political Influences on State Tuition and Aid Policy: Higher-Tuition, Higher-Aid, and the Real World."

(See Section One.)

Hines, Edward R. *State Higher Education Appropriations: 1992-93.* Denver: State Higher Education Executive Officers, March 1993.

Hines, Edward R. *State Higher Education Appropriations: 1993-94.* Denver: State Higher Education Executive Officers, February 1994.

In these two reports, Hines reviews the respective fiscal year in terms of appropriations to higher education. Results are broken down in a number of interesting ways, including a megastate comparison and data for state-by-state appropriations. The data show that the megastates lead the way in a decline in funding for higher education.

The breakdown of data is limited to state appropriations of tax dollars for higher education's costs of operation, not funds used for capital outlays or debt services. The reports also do not take tuition into account. The reports do include comparisons with the previous fiscal year, and subtotals for each category in each state's spending for higher education.

Hollander, T. Edward. "ECS Initiative on Public Policies and Higher Education Financing."

(See Section Five.)

Johnstone, D. Bruce. "Financing Liberal Learning: The Role for Government." In *America's Investment in Liberal Education,* edited by David H. Finifter and Arthur M. Hauptman. San Francisco: Jossey-Bass Publishers, 1994.

In this article, Johnstone presents the role that government should play in the currently vulnerable area of liberal education. Johnstone says that the current system is workable and worthwhile. He does not recommend fundamental rethinking of the system, but "some refinements and stability," including more money.

Johnstone relates the need for liberal higher education to the need for higher education in general, then gives four guidelines for governments to follow in financing institutions of higher education generally and liberal education specifically. These guidelines include: First, the tradition of state financial support for higher education should be continued. Secondly, state legislative and executive officers should defer decision making concerning higher education to those involved in the business of higher education. Third, students need access, and the best way to assure this is not a fundamental reworking of the current system of financial aid, but rather a substantial infusion of money into the current system. Fourth, a substantial amount of funding is needed for merit awards for graduate study in the arts and sciences.

Jones, Dennis P. *Higher Education Budgeting at the State Level: Concepts and Principles.* Boulder: National Center for Higher Education Management Systems, 1984.

The author details the ways in which policies and priorities are established in state budgeting. He points out that priorities can be established by design or default, but are always present. He also warns that many states favor default over design. He recommends that budgeting always remain a tool of policy, not the other way around. He also recommends that accountability be related directly to budgeting, along with special-purpose funding and other specific budgeting procedures to ensure the implementation of policies.

Jones finds that states rely too heavily on a concept of "average" costs, that is, the concept that each student costs an established average amount and that funding should be based on that amount. He instead recommends several other methods, one of which is the concept of marginal costs, which postulates that the institution costs a certain amount to run no matter what, and that each student then costs a certain "extra" amount.

Lenth, Charles S. *The Tuition Dilemma: State Policies and Practices in Pricing Public Higher Education.*

(See Section One.)

Massachusetts Task Force on Fair Share Funding for Higher Education. "Stabilizing the Commonwealth's Investment: Toward a Five-Year Financing Plan for Higher Education." David W. Breneman, Task Force Chair. June 1994. Photocopy.

The task force's recommendations for stabilizing higher education include establishing clear policy decisions on higher education in Massachusetts. The recommendations are organized according to the following goals: access, adequacy, stability, predictability, rationality, and accountability.

To achieve access, the task force recommends that students pay 35 percent of the total cost of their education, with states paying the rest and providing aid for needy students. An extensive review of the financial aid process is also recommended.

To achieve adequacy, the task force recommends that a formula-based funding system be devised to regulate burden sharing among students, state government and institutions.

To achieve stability, the task force recommends that the percentages achieved through formula-based funding not be changed for any reason. Financing mechanisms are also recommended to achieve this goal of stability.

Predictability will be achieved through the timely completion of the above goals. Rationality will be achieved through the implementation of the above goals. Finally, accountability will be achieved through developing outcome indicators and providing incentives for reaching those outcomes.

Mingle, James R. "State Policy and Productivity in Higher Education." Prepared for the Office of Educational Research and Improvement, State Higher Education Executive Officers. Presented at the National Symposium on Strategic Higher Education Finance and Management Issues in the 1990s, February 24-25, 1991. Photocopy.

Mingle, in examining the implementation of state goals through budgeting processes, blames budgeting processes for causing problems in implementing clear policy directives. He recommends that muddling through toward a set of goals is what should happen, while what is happening is muddling through toward an unnamed and unknowable objective.

Mingle gives the pros and cons of nine different paths to improving productivity. These are: plans, mission statements, and program review; revenue limitations; base budget changes; budget incentives and reallocations; deregulation and management flexibility; structural change; enrollment and graduation standards; institutional performance standards; and technology. Changes in all of these fields can increase institutional productivity in desirable ways.

After speaking extensively about the need for increasing productivity in higher education, Mingle notes that productivity is not the ultimate goal of education. He asserts that a certain amount of inefficiency is good for the system in general, but that goals must still be established and worked for on an ongoing basis.

National Commission on Responsibilities for Financing Higher Education. *Making College Affordable Again.* Final Report.

(See Section Four.)

Pennsylvania Independent College and University Research Center. *The General Condition of Independent Higher Education Finance in Pennsylvania.* Harrisburg, Pennsylvania: 1994.

This report on the condition of independent institutions in Pennsylvania points out several disturbing trends in the financing of higher education.

First, the report shows that in the 1980s many independent institutions sought to cover the decrease in federal financial aid by increasing the amount of institutional aid. Institutional aid is made possible through a large proportion of students paying full tuition. In the 1990s the number of these full-paying students has reduced dramatically; putting these institutions into a financial bind.

The loss of federal funds has had sweeping effects not only on private institutions, but also on public institutions. The two are now forced to compete not only for students, but also for private donations and government funds. This has made the financing of higher education a zero-sum competition, "where one institution's gain is another's loss."

Pickens, William. *Financing the Plan: California's Master Plan for Higher Education, 1960 to 1994.* San Jose: California Higher Education Policy Center, 1994.

Pickens reviews the California Master Plan for Higher Education in light of fiscal realities, showing how the concepts of the plan were implemented during other times of financial crisis and how the concepts are being almost totally ignored during the recent fiscal crisis in

California. He warns of the dangers of backing into policy issues during each fiscal year and of allowing other initiatives, proposals, etc., to affect the over-arching policies of California higher education.

Pickens relies on an extensive data base he compiled for the California Higher Education Policy Center to specify how each major branch of California public higher education weathered earlier fiscal crises. His main thrust is that in other periods of hard times, there may have been a move away from the Master Plan, but it was never totally disregarded. Now there are few if any of its provisions that remain as a part of public policy in California.

The appendix to this report contains a wealth of information regarding the changing financial status of some of the most important institutions in California, including the University of California, the California State University and the California Community Colleges. The data base covers from 1950 to 1994-95, with figures adjusted by both the CPI and the HEPI indexes, and is available as a separate document.

Sell, Kathleen R. "Coordinating Budgeting and Academic Planning to Affect Institutional Commitment to Teaching and Learning." Prepared for the Professional Development Seminar for State Higher Education Finance Officers, State Higher Education Executive Officers, Denver, August 19-21, 1993.

Sell explains how the higher education system of Wisconsin weathered bad financial times. The state government funded higher education at lower levels, but allowed the institutions to determine how best to handle the lack of funds. The institutions responded with "enrollment management," and decreased the number of students while increasing the number of professors.

In her conclusion, Sell shares her experiences and its implications for higher education planning around the country. While the specific programs Wisconsin implemented may not be applicable across the country, she believes her general guidelines will be applicable in almost every situation.

Her recommendations are as follows: first, link academic planning with budget planning. Second, approach the state as a unified system, not as a set of individuals. Institutions must be given maximum flexibility with their allocated funds. Also, expect that institutions will engage top priorities with the help of their own base funds, rather than rewarding this as exceptional behavior.

In addition to this, she recommends extensive quality-driven enrollment management. She believes that enrollment funding should be done away with in favor of more comprehensive funding plans. In addition to this, she recommends that only systemwide priorities should be funded externally, while institutional goals should be funded from base budgets. Tuition levels should be adjusted based on the level of education provided.

Her last recommendation is to do all planning publicly and be concrete about objectives and commitments. She recommends that higher education leaders must get state administrations to do an up-front buy-in to higher education in general and a system of reform in particular. With this in place, higher education leaders can remind state leaders of their obligations in their partnership with higher education.

Western Interstate Commission for Higher Education. *Tuition, Fees and Financial Aid in Public Higher Education in the West: 1992-93.* Denver: 1993.

This report continues the Western Interstate Commission's annual series summarizing financial conditions in higher education in western states. Like Lenth's report (see Section One), this study examines the changing policies in each of the western states regarding fees for higher education.

The commission notes that higher education officials have taken a long time to recognize the concept of tuition as public policy. Rather, tuitions have been used primarily to "bridge the gap" between institutional requests and state appropriations without considering the costs to students. In this tuition/aid format, there are three possible options for administrators: low, moderate, and high tuition. Each tuition policy must be (or at the very least should be) tied into a new policy for financial aid. However, the report notes that most states (most notably California) are changing tuitions without adequate consideration of financial aid policies.

Zumeta, William. "State Policy and Budget Developments."

(See Section One.)

SECTION FOUR

Federal Programs and Policies

Gladieux, Lawrence E. "Bright Hopes and Paper Promises: The Changing Picture of Student Aid Policies in the 1990s."

(See Section One.)

— — —. "The College Affordability Crisis and Public Policy in the 1990s."

(See Section One.)

Greer, Darryl G. "Fulfilling the Promise of Educational Opportunity."

(See Section Five.)

Hauptman, Arthur M. "A Changing Federal Role in Providing Student Financial Aid."

(See Section One.)

— — —. *Direct Loans: An Assessment of the Clinton Administration's Proposals and Some Suggestions for Improvement.* AGB Public Policy Series, No. 93-1. Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1993.

Hauptman suggests a method of implementing the proposed direct loan program that would satisfy those who say the program would not be competitive. Hauptman suggests that the new program be implemented on a competitive basis with existing private programs. Each would hold a 50 percent share of the market. After a test period, the most efficient method would be given the entire student loan market. Hauptman argues that this would help the program in a variety of ways, including making it efficient from the start.

Hauptman notes that the current system is highly ineffective, with massive amounts of defaults, and banks involved in it making a huge profit despite very poor business practices. The fact that these lenders have the funds to hire some of the most high-powered lobbyists in Washington, D.C., to argue their case with members of Congress is an indicator that these institutions have grown too powerful, and that the public might be better off under a direct loan plan.

———. *The Tuition Dilemma: Assessing New Ways to Pay for College.*

(See Section One.)

Jennings, John F. "Commentary on Postsecondary Education."

(See Section One.)

Johnstone, D. Bruce. "The Costs of Higher Education." In *International Higher Education: An Encyclopedia*, edited by Philip G. Altbach. New York: Garland Publishing, 1991.

Johnstone asks three questions about financing higher education: How much education is needed? What is the unit cost of this education? And who pays for this education and why? In comparing systems worldwide, he cites an international trend of shifting responsibility from society and parents—and onto students.

Johnstone details three important areas of concern in sharing the costs of higher education: equality of opportunity, efficiency and equity. He notes that the United States makes more effort than any other country in the world to pull disadvantaged youth into higher education, making the United States a leader in creating equality of opportunity. Efficiency is not as much of a concern in the United States because of the large amount of wealth we as a nation possess. It is much more of a concern in developing nations, where unit costs tend to be overly high, and systems of higher education very inefficient. For equity to be achieved, three criteria should be met: first, participation should be roughly equal among all ethnic and socioeconomic groups; second, elite families should finance their own educations; and third, the wage and tax system should be mainly progressive.

The article then relates the costs of education in five countries: the United States, the United Kingdom, Japan, Australia, and Sweden. The most notable thing about the United States in comparison with the other countries in this study is the diversity of its institutions and funding, and its constant striving for equality of opportunity.

———. *Sharing the Costs of Higher Education.* New York: College Entrance Examination Board, 1986.

Johnstone reviews the different methods of burden sharing in five countries: the United Kingdom, the United States, France, Sweden, and Germany. He analyzes policies regarding the division of the costs of higher education between students, parents and government in each country. The United States, according to Johnstone, has one of the most equitable and workable systems worldwide.

In the United Kingdom, the system of higher education is characterized by generous grants to traditional students, with minimal assistance for other types of students, along with a very small expected contribution that is deeply resented by parents and students, and finally, an extremely low share of costs borne by students either through work or through loans.

In Germany, the system of higher education is characterized by taxpayer support of all institutional costs, along with a legal obligation for parents to support their children through payment of the costs of living. Also included in this system are heavily subsidized loans to

those students whose parents cannot afford to pay subsistence costs, and heavily subsidized costs of living through state-sponsored meals and housing.

In France, the system of higher education is characterized by complexity and diversity of funding sources. The burden of costs lies most heavily on the parents, whose contribution is very high in comparison to other European nations. France also tends to favor elite students, and tracks students not only at the level of higher education, but at the level of secondary school.

In Sweden, the system of higher education is characterized by free tuition along with student obligation for paying for the costs of living. This is done through a system of government-operated grants and loans. The loans are heavily subsidized and repayable on a long-term basis.

In the United States, the system is characterized by diversity of institutions, funding, and students. The United States has the biggest commitment to access and equity in the world. As a result of this, the United States has the highest proportion of studnets in higher education than any other country in the world. The obligation for financing this has been steadily shifting from both taxpayers and parents to students.

Kramer, Martin. "Policy Implications of Direct Lending: Possible Unintended Consequences." (Publication information unavailable.) Photocopy.

Kramer details the unintended policy implications of moving from indirect to direct lending. He points out several areas where the new system will have unintended and quite possibly harmful effects.

The program, once centralized, will grow quite rapidly because of the greater ease of access. Kramer explains how the current complexity in the loan program acts as a "brake" on loan activity, and slows the program so that all those involved have time for adequate reflection. The new ease of access will do away with this time for reflection. Also, loan officers will find it much harder to track individuals when the volume of debtors is so enormous.

In terms of burden sharing, children will now cover most or all of the debt burden under direct lending, especially if an income contingent repayment program is introduced. Also, collateral opportunism will increase as the size and complexity of the program increases. The knowledge of those at the local level will be lost as the system is gathered up into a federal mechanism.

— — —. "Toward a More Stable Allocation of Financing Roles." In *Financing Higher Education in the 21st Century*. Washington, D.C.: National Commission on Responsibilities for Financing Postsecondary Education, 1993.

Kramer emphasizes that pluralism in financing is a permanent fixture in higher education, but that the pluralism should be more structured, with more complementary roles. The idea, says Kramer, rests on a "social contract" in which each party understands its roles.

The role for the parent in this model is to prepare for financing a higher education through savings and other forms of planning. The incentive for this would be a tax write-off for those funds spent on a child's higher education.

The role for the student in this model would be to provide a certain amount of charges,

Kramer's suggestion is 20 percent. There would have to be a cap on what this percentage would be, though in this case possibly $4,000.

The role for state and national governments is more passive in Kramer's model than their current, active modes. Kramer suggests funding through tax refunds and other incentive programs, rather than more student-aid funding or other very direct programs. He does this because he believes that the federal government is too heavy-handed, and should seek to encourage certain behavior and fulfill its role as guarantor rather than as enforcer.

Longanecker, David A. "Funding Non-Traditional Students: A New Approach." Prepared for the Higher Education Roundtable, State Higher Education Executive Officers, Denver, January 1990. Photocopy.

Longanecker proposes the Workers' Education Training Trust fund (WETT) as an alternative for financing higher education for older, non-traditional students. The program would work as unemployment insurance does, with workers paying an income tax and drawing from the trust fund to pay for continuing lifelong education.

Longanecker proposes this trust fund in order to meet the needs of the rapidly growing portion of the higher education population that has been employed for a long time, and is seeking further training in order to advance in a given field or to change fields altogether. While the needs of traditional college students have been addressed in much federal legislation, there has been little or no action on behalf of these non-traditional students.

McGuiness, Aims C., Jr., and Christine Paulson. *1990 Survey of College Savings and Guaranteed Tuition Programs*. ECS Publication 90-4. Denver: Education Commission of the States, 1990.

This survey reports the results of two savings programs currently in effect in the United States: prepayment plans for higher education and savings bonds for higher education.

Prepayment plans have several benefits, including reduced costs and increased investment in higher education. However, they also have several drawbacks, including high risk to the state in terms of making up for tuition increases above and beyond the inflation rate. States are also currently trying to make the revenues from these plans untaxable; at the time of the report, the IRS was taxing revenues from these plans.

Savings bond programs are less controversial, but have also been the subject of some debate. Institutions of higher education have been accused of marketing their plans as more effective for college saving when in fact they are about the same as all other bonds.

McPherson, Michael S., and Morten Owen Schapiro. *Keeping College Affordable: Government and Educational Opportunity*.

(See Section Two.)

National Commission on Responsibilities for Financing Higher Education. *Making College Affordable Again*. Final Report. Washington, D.C., 1993.

This final report of this committee contains a general restatement of the problems in higher education, including the increased cost to families and the increasing difficulty that low-

income students have in attaining a higher education. It also includes recommendations on improving the system, most of which are at the federal level.

The committee advises simplifying the process of federal student aid into one program which would include the three aspects of grants, loans, and work-study. This program would guarantee equal aid to all students, with distinctions made in the type of aid given. Thus, low-income students would be given more grants, and high-income students more loans.

At the state level, the committee warns against the implementation of a high-tuition/high-aid system, which can too easily become a high-tuition/low-aid system. The committee recommends the following four steps that state government and higher education administrations should take to improve higher education:

1. Gain consensus on goals, with measures of success agreed upon.
2. Provide resources to meet these goals.
3. Guarantee institutional autonomy.
4. Provide authority to achieve goals.

Sundt, Melora. "Postsecondary Education Financing: International Comparative Models." In *Background Papers and Reports of the National Commission on Responsibilities for Financing Postsecondary Education.* Washington, D.C.: National Commission on Responsibilities for Financing Postsecondary Education, April 1993.

Sundt reviews the dominant policies in 13 different countries, grouping the countries in terms of burden sharing, institutional control, and division of resources. The article presents an interesting variety of options for financing higher education.

The author divides the paper into two main sections: those countries in which the students and parents have primary responsibility for financing higher education (the United States and Canada) and those countries in which the government has primary responsibility for financing higher education (Vietnam, Brazil, India, Spain, Ethiopia, South Africa, the Netherlands, Finland, Sweden, Japan, and the United Kingdom).

Among those countries in which the students and parents take more responsibility for financing higher education, the author found more student participation in higher education and generally more equality among socioeconomic groups. Disproportionate numbers of elite students still attend institutions of higher education, but the system is less skewed than in other countries.

Sundt divides the countries with government control into two categories: those without institutional autonomy and those with significant institutional autonomy. Those without autonomy tend to be inefficient and enroll a very small portion of the population. Those with significant autonomy fare better, enrolling more people and operating more efficiently.

Verspoor, Adrian. "Financing Higher Education: A World View." Presented at the International Association of University Presidents, Annual Meeting of the American Council on Education, Washington, D.C., February 21, 1994. Photocopy.

Verspoor, who heads the higher education loan program of the World Bank, provides advice to all developing systems of higher education. He recommends having diverse sources of funding and ensuring that the system itself is diverse, with many different missions among universities.

Verspoor cites worldwide trends in higher education. The first is the adoption, on a worldwide basis, of policies that are very similar to those in the United States—that is, countries are switching to a diverse system of higher education, including public and private universities, colleges, and technical schools. The second trend involves a problem in developed countries but a crisis in developing ones; there have been steady increases in enrollment demands along with steady decreases in resources provided to higher education. The third trend involves a decrease in research in a significant number of countries, increasing the difference between those that have scientific capabilities and those that do not.

Verspoor then details why he recommends diversity of institutions. He does so because most countries simply have one kind of higher education available to their students. Within this system, citizens are severely limited as to the types of education they can receive, and the educational growth of the country stagnates. With a diverse system, the country can expand in many different directions with its system of higher education, and create a diverse, well-educated workforce.

Diversity of financing is recommended for a variety of reasons, one being to decrease government control over higher education. If the government pays for all of higher education, it can dictate what will be taught, who will be taught, and who will be teaching. If funding comes from private enterprise, students, parents, and the government, however, no single party can dictate the terms of higher education.

SECTION FIVE

Financial Management of Higher Education

Bateman, Mark, and Roger W. Elliott. "An Attempt to Implement Performance-Based Funding in Texas Higher Education: A Case Study."

(See Section Three.)

Bowen, Howard R. *Investment in Learning: The Individual and Social Value of American Higher Education.* San Francisco: Jossey-Bass Publishers, 1977.

This work presents in fifteen chapters many benefits of higher education both to the individual and to society. Bowen draws conclusions that higher education is worth the cost, for it provides a return on investment of about three times. Bowen also provides policy directions on the future of higher education, concluding that higher education should continue to be expanded and made available to a wide range of the population—not for economic reasons, but for the cause of increased humanity and personal fulfillment.

The book begins with a short description of the system of higher education in the United States and the current methods of public and private investment in higher education. This is followed by two sections concerning the outcomes of higher education. The first set of outcomes concern those benefits that accrue to individual recipients of higher education. The second section details the societal benefits of higher education. The debate that fuels both of these sections concerns whether higher education contains more benefits for the society or for the user. If it could be clearly determined who benefits most from a system of higher education, it might become easier to determine how the burden of paying for this education should be shared.

Breneman, David W. and Chester E. Finn, Jr., editors. *Public Policy and Private Higher Education.* Washington, D.C.: The Brookings Institution, 1978.

This book, which includes chapters by a wide range of contributors, analyzes the private sector of American higher education and its relationship with state and federal government. Generally, the authors favor institutional autonomy without direct aid. Aid should only come indirectly through student financial aid. The value and continued importance of private higher education is emphasized, as is the necessity for private higher education to remain independent.

The authors recommend that public policy be concerned with utilizing the educational opportunities at institutions of higher education without attempting to control these

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institutions. They believe that the best way to do this is through student aid. Students should be given more portable aid with which to attend the institutions of their choice.

Breneman, David W. and Susan C. Nelson. *Financing Community Colleges: An Economic Perspective*. Washington, D.C.: The Brookings Institution, 1981.

This report considers different means by which community colleges are financed and provides several policy recommendations, one of the most important of which is the exhortation for community colleges to choose to be either community resource centers or local, two-year colleges. Most serve both functions, and the authors do not see continued funding for both purposes.

Community colleges differ from other institutions of higher education in that they combine the functions of public education on the K–12 model and the functions of institutions of higher education. The authors have several recommendations to keep community colleges a viable alternative in the future, including: making two-year colleges community resource centers in order to increase community involvement and funding of these institutions, or alternatively making community services self-supporting and creating a "core" college concerned only with postsecondary education.

Brown, Michael A., and David M. Wolf. "Allocating Budgets Using Performance Criteria." In *The Funding of Higher Education: International Perspectives*, edited by Philip G. Altbach and D. Bruce Johnstone. New York: Garland Publishing, 1993.

Brown and Wolf review the methods used by De Monfort University (United Kingdom) to improve performance through special budgeting processes. The authors attribute the success of the program mainly to its policy of considering outcome data rather than income data in performance funding. Also, they suggest the adoption of two principles for institutions of higher education: the need for rigorous application of quality management principles, and the need to redesign educational provisions to maximize effectiveness subject to resource constraints. The methods proposed involve heavy government intervention into university administration, most notably terminating the least efficient programs.

Specifics of budgeting procedures, evaluation, and the results of the new methods are given. The authors report that their new system has been very successful in increasing efficiency and revitalizing the universities. The most important concepts in redesigning budgets, according to Brown, is to begin budgeting in streams rather than for line items, and also to design by price while still providing significant incentives for quality. Brown and Wolf call this efficiency versus parsimony.

The Carnegie Commission on Higher Education. *Higher Education: Who Pays? Who Benefits? Who Should Pay?* San Francisco: McGraw-Hill, 1973.

In this book, the commission seeks answers to the three fundamental questions raised in the book's title. The commission details the benefits of higher education and to whom they accrue, and then provides several specific policy recommendations based on the conclusions provided to the first two questions. The commission recommends increased federal control of student financial aid, with the costs of the first two years of school decreased (with increased

access) and the costs of the second two years and graduate school increased to reflect more nearly the actual cost of instruction.

The book ends with thirteen policy recommendations based on the committee's findings:

1. Increase taxpayer shares in order to increase student aid.
2. States should have progressive tax systems.
3. Use federal funds to partially relieve the burden of the expansion of higher education.
4. Public institutions should have a policy of low tuition during the first two years of instruction.
5. Institutions of higher education should consider restructuring tuition charges to more accurately reflect costs of instruction, especially at the graduate level.
6. Private institutions should raise tuitions only as per capita disposable income grows.
7. There should be similar restructuring of costs in private institutions.
8. Federal grants should be fully funded.
9. The poorest students should receive grants covering up to 75 percent of their total educational costs.
10. There should not be a ceiling on grant aid awards.
11. The federal government should provide significant incentives for state grants.
12. Efforts should be made to narrow the tuition differential through state subsidies.
13. A national student loan bank should be established.

The Carnegie Council on Policy Studies in Higher Education. *Low Or No Tuition: The Feasibility of a National Policy for the First Two Years of College*. San Francisco: Jossey-Bass Publishers, 1975.

This report, similar to the Carnegie Commission report, *Higher Education: Who Pays? Who Benefits? Who Should Pay?*, recommends a policy of low or no tuition for the first two years of instruction, with tuitions rising proportionate to costs thereafter. The reasons for recommending this policy are many. The social benefits of higher education are almost entirely in the first two years of higher education. From then on, this study shows, the benefits accrue almost entirely to the user. Also, the costs of higher education become much greater as one moves up. It is much easier to subsidize the first two years of higher education than all four.

This is in many ways a compromise between the low-tuition/low-aid argument and the high-tuition/high-aid argument. The first two years of college can be low/low, with the option of continuing in a high-tuition/high-aid system. This would relieve many of the problems associated with the high-tuition/high-aid system (sticker shock, etc.), while helping to end many of the inequities created by the low/low system.

Elfin, Mel. "What Must Be Done." *U.S. News and World Report* (September 28, 1992): pp. 97-99.

The author has the following recommendations for moving campus economies into the 21st century: increase faculty productivity, reduce administrative bloat, create new educational partnerships, scale down student services, modify tenure, set research priorities, emphasize comparative advantages, reshape the academic calendar, find new sources of revenue, and take advantage of technology.

Folger, John, and Dennis P. Jones. *Using Fiscal Policy to Achieve State Education Goals.*

(See Section Three.)

Greer, Darryl G. "Fulfilling the Promise of Educational Opportunity." In *Financing Higher Education in the 21st Century.* Washington, D.C.: National Commission on Responsibilities for Financing Postsecondary Education, 1993.

Greer questions whether colleges in times of fiscal restraint are truly asking what they can do or what they can afford to do. He emphasizes the need for innovative approaches to financing in all areas of higher education. He also argues for the continuation of a similar division of resources as in the past, but with more efficiency and commitment to stability.

Greer includes in his report possible pitfalls to avoid when attempting to restructure the financing of higher education. First, he warns against spending too much time trying to figure who is subsidizing whom. Secondly, he warns against following the high-tuition/high-aid strategy, saying that this policy will shift responsibility for financing to students, pit haves against have-nots, create divisiveness, and create a cumbersome bureaucracy. Finally, he warns against imposing central controls for shared responsibilities and outcomes.

The approaches that Greer does recommend include: clarifying the shared responsibility for finance, especially as it concerns predictability for parents and students; disaggregating functions by mission and developing rationales to support missions; and improving financial aid through more closely linking federal and state financial aid with basic educational policy. Greer recommends providing institutions with incentives to account for their missions, their educational products, and their affordability. He also recommends developing ways to amortize the cost of higher education and training over a longer period of time.

Hollander, T. Edward. "ECS Initiative on Public Policies and Higher Education Financing." Prepared for the Seminar on Financing Higher Education, State Higher Education Executive Officers, Denver, March 7-8, 1991.

The objective of this proposal is to strengthen policy implementation through incentive funding and new budgetary and monitoring arrangements at the state and institutional levels. Hollander argues that mechanisms to strengthen undergraduate education will be the focus of these new arrangements.

Hollander begins with a list of reasons describing why higher education is slow to reform. The first reason is that public policy decisions are rarely backed by statewide incentive programs that encourage institutions to reform. The second is that state funds are generally appropriated on a formula basis with few incentives, except for research at the expense of instruction. The third is that faculty value systems are skewed strongly toward research and away from instruction. The fourth is that reform processes are too often centralized too high in institutions to result in changes at the instructional level. What is needed is a decentralization of reform processes to the department level.

The author then details the lack of connection between higher education institutions and public policy. He recommends changing this through special-purpose funding designed to encourage institutions to meet these public goals. The types of funding recommended are

categorical aid (aid granted to be used for one specific program or purpose), special-purpose institutional appropriations (aid granted at the institutional level for one specific program or purpose), performance budgeting (aid granted for the achievement of certain goals), competitive grants (grants given to the institution that designs the best proposal for achieving a certain goal), and challenge grants (grants that reward both the design and implementation of a program to achieve a certain goal).

The article ends with a proposed study that will pull together all that is known about special-purpose funding and use it to create new policy alternatives that can then be implemented.

———. "Financing Future Higher Education Needs." In *Financing Higher Education in the 21st Century*. Washington, D.C.: National Commission on Responsibilities for Financing Postsecondary Education, 1993.

Hollander proposes reform through competition rather than regulation. Incentives and special-purpose funding should be used at the state level to encourage efficiency. Accountability should be maintained through a process similar to the one outlined in the Securities Exchange Act, which would guarantee accurate information about all universities.

At the federal level, the author suggests reforms in the area of student service, especially making federal grants an entitlement for all those under the poverty line. This entitlement should fully cover the first two years of college and one full year of compensatory education. From this point on, subsidies should shift to loans.

Hollander also recommends that the federal government set up a review board similar to the securities exchange commission that will obtain accurate information from all universities regarding relevant outcome data for incoming freshmen. With this information, prospective students will be able to spend their money more wisely on the institution of their choice.

For institutions, Hollander calls for an end what he calls discrimination in pricing and for more effective management of academic enterprises. Basically, he wants to place more responsibility instead of increased regulation on internal management to make the model more competitive.

Huber, Richard M. "Why Not Run a College Like a Business?" *Across the Board* (November 1992): pp. 28-32.

Huber argues that we don't run universities like a business for the same reason that we don't do cost-benefit analyses of orchestras: there is an aesthetic as well as tangible result that occurs, and this cannot be budgeted or accounted for in economic terms.

Massy, William F. "Resource Allocation Reform in Higher Education." Presented at the CPRE/USC/Stanford Conference on Decentralized Management in Higher Education, Los Angeles, November 19, 1992. Photocopy.

Massy recommends that the internal funding of a university should be conducted not by one, but by a hybrid of models of financing, which he calls "value responsibility budgeting." Massy's general goal is to achieve accountability at each subunit by careful planning and negotiation. Once each subunit's outcome and performance measures are decided upon, the

organization proceeds to fund each unit with both a block grant and a discretionary allocation based upon the achievement of mutually agreed-upon goals. Massy also recommends using this system for systems of higher education. He says that the appropriate subunits will be different, but the rest of this method of funding need not be altered.

Massy, William F., and Michael C. Hulfactor. "Optimizing Allocation Strategy." In *The Funding of Higher Education: International Perspectives*, edited by Philip G. Altbach and D. Bruce Johnstone. New York: Garland Publishing, 1993.

The authors believe that a block grant program that specifies certain institutional outcomes but does not specify methods would be very effective in financing higher education. Incentives should be provided for achieving goals. Four elements in restructuring higher education are named:

1. Align academic objectives to mission. Many institutions suffer from accretion of goals that have little or nothing to do with their original purpose.
2. Re-engineer administrative and support services. The administrative lattice, according to the authors, must be trimmed, and its tasks reassigned.
3. Redeploy faculty resources. The instructional mission of most universities must be emphasized over research.
4. Reform resource allocation. Responsibility must be taken for budgeting in a way that creates incentives for reform.

On this last point, the authors have several policy suggestions. First, institutions should decentralize wherever practical. Moreover, they need to enforce expenditure discipline, define responsibilities and performance criteria, transmit market signals to operating units (as well as exposing these units to the consequences of inefficiency), and lastly, reward those units that meet institutional goals.

McPherson, Michael S., Morton Owen Schapiro, and Gordon C. Winston. *Paying the Piper: Productivity, Incentives, and Financing in U.S. Higher Education*. Ann Arbor: The University of Michigan Press, 1993.

The authors review multiple means through which universities, governments, students, and parents seek to finance higher education. Problems are analyzed for major areas such as productivity and organization, student finance, and institutional finance. Possible options for change are given in separate essays on each topic, and a general conclusion ties all relevant information together.

The chapters relating to productivity and organization include the concept of productivity in higher education in the United States, in which Schapiro relates the difficulties of measuring outputs, and therefore measuring productivity in higher education. Also included in this section are chapters on the economies of cost, price, and quality, and the economics of academic tenure.

The section involving student finance includes a chapter on the difficulties of determining the effects of student aid on participation rates, and new proposals for federal student aid, the most important of which would keep all student aid portable and need-based. Other chapters are "Measuring the Effects of Federal Student Aid," and " Robin Hood in the Forests of Academe," a rebuttal against those who imply that price discrimination in universities is in

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effect stealing from the rich to give to the poor.

The last section involves institutional finance. The chapters in this section cover the effect of government financing on behavior of colleges and universities (in which the author does not find that universities raised their tuitions as federal aid funding grew). Also included are three chapters on institutional accounting (recommending various innovations for institutions in their appreciations of costs and expenditures).

Mingle, James R. "State Policy and Productivity in Higher Education."

(See Section Three.)

Pennsylvania Independent College and University Research Center. *The General Condition of Independent Higher Education Finance in Pennsylvania.*

(See Section Three.)

Ramírez-Soto, Ismael. "An Overhaul of Postsecondary Education Finance: Increasing Institutional Wealth and Eliciting Systemic Change." In *Financing Higher Education in the 21st Century.* Washington, D.C.: National Commission on Responsibilities for Financing Higher Education, 1993.

Ramírez-Soto provides extensive policy recommendations for the federal government, state governments, private enterprise, and institutions of higher education. This article begins with four basic goals for higher education as it progresses into the 21st century: (1) If the needs of the disadvantaged are not responded to, the social costs incurred later on will be much heavier than the original investment would have been. The needs of the disadvantaged, therefore, must be met now. (2) High-quality postsecondary education is essential for a skilled and adaptable workforce. (3) Today's workforce needs upgrading and redirecting through higher education. (4) This country depends on science and technology. Higher education research, development, and instruction in science are crucial to maintain our current position in the global economy.

Ramírez-Soto then gives detailed blueprints for arriving at these goals, ending with a list of recommendations for federal and state governments, students and families, private enterprise, and institutions. For the federal and state government, he recommends creating incentives for more productivity and quality, as well as making institutions more accountable.

For parents and students, he recommends a movement for consumer protection through calls for accountability and cost containment.

For private enterprise, he recommends strategic investment in human capital through the further education of workers. Enterprises should avoid passing these costs of education on to the consumer, and wait for these investments to pay off in the form of higher productivity from the workforce.

For institutions, finally, Ramírez-Soto provides extensive recommendations for increases in productivity and accountability. Included among these are higher teacher/student ratios, a return to three-year bachelor's degrees, and extensive use of technology to decrease the amount of support staff needed.

Rudenstine, Neil L. "National Press Club Address." Presented to the National Press Club.

Washington, D.C., November 30, 1992. Photocopy. Office of the President, Harvard University, Cambridge.

This address to the National Press Club supports the concept of high-tuition/high-aid funding for all universities as the most equitable distribution of funds. Rudenstine cites need-based financial aid as the key to opening educational access in the United States, and sees no reason why it should not continue to do so in the future.

The main proposals are to continue the basic partnership in higher education between the government, institutions and students. Students and families should continue to shoulder the maximum possible burden, the federal government should supply simple, direct aid through grants and loans, and the institutions should maintain low costs and high productivity. Rudenstine also suggests abolishing the low-tuition system in favor of the high-tuition/high-aid system and the disallowal of merit-based scholarships.

St. John, Edward P. *Prices, Productivity, and Investment: Assessing Financial Strategies in Higher Education*. ASHE-ERIC Higher Education Report No. 3. Jonathan D. Fife, Series Editor. Washington D.C.: Graduate School of Education and Human Development, George Washington University, 1994.

St. John provides a brief review of the salient issues in higher education, with an analysis of different ways that the crisis in higher education can be addressed at the federal, state, and institutional levels.

St. John begins by reviewing existing theories on how higher education is financed. He begins with the human capital theory, which states that higher education is an investment in society's most important resource: human capital. The rates of return on higher education support this investment.

Next he considers revenue theory, which states that institutions of higher education raise as much money as they can and spend all of it, and so will increase tuitions even as student aid rises. He also includes critical theory, which uses neo-Marxist concepts to claim that policy decisions regarding higher education are made as part of a continuing oppression of the lower classes.

St. John mentions political incrementalism, which uses the concept of business-as-usual as its starting point. Instead of the more radical claims of the other theories, this theory states that institutions will continue to try to do business as usual with only incremental changes in budgeting and allocations.

With these four theories in mind, St. John arrives at several recommendations. He suggests that any policies make explicit the link between attainment and the promotion of productivity and affordability. He then suggests that policy makers recognize that incentive structures influence productivity. Governments will continue to make policy decisions in an incremental manner, so all planned reform efforts should be incremental in their nature. And finally, St. John states that policy studies should consider both political and economic influences on resource allocations.

St. John includes one major change in the way any reform is approached: he suggests that instead of assuming that the reform will work, participants should treat each new reform as an "action experiment" to be continued or ended according to its success after a specified time.

Sell, Kathleen R. "Coordinating Budgeting and Academic Planning to Affect Institutional Commitment to Teaching and Learning."

(See Section Three.)

Walker, J. Kenneth, J. Kent Caruthers, and Joseph L. Marks. "Potential Adaptations in Funding Processes for Public Higher Education to Reflect Changing Policy Priorities." Draft prepared for the Professional Development Seminar for State Higher Education Finance Officers, State Higher Education Executive Officers, Denver, August 19-21, 1993. Photocopy.

This article suggests options to help address the lack of funds available to higher education, including reducing service levels, freezing base budgets, changing formulae to reflect incoming funds, and increasing nonstate revenues. The article recommends caution in changing the current system.

The end of this article contains a chart of issues, options and their implications. For state revenue shortfalls, some options include: reducing enrollment, freezing base budgets, recalibrating the formulas used to determine funding for certain sections, and increasing nonstate revenue. For accountability, the state can control expenditures, or provide line-item or categorical funding for areas of concern. And for teaching and learning, some options include: converting formulas to being outcome- rather than input-driven, combining process and outcome variables in formulas, and recalibrating to redirect funds from upper levels to lower levels.

SECTION SIX

Collections and Bibliographies

Selected articles from these collections are reviewed individually in previous sections of this bibliography.

Altbach, Philip G., and D. Bruce Johnstone, editors. *The Funding of Higher Education: International Perspectives.* New York: Garland Publishing, 1993.

This collection features papers from international experts presented at the Sixth International Conference on Higher Education in August of 1992. The papers address new and innovative methods of funding higher education.

Breneman, David W., Larry L. Leslie and Richard E. Anderson, editors. *The ASHE Reader on Finance in Higher Education.* Needham Heights, Massachusetts: Ginn Press, 1993.

This is an extensive collection of classic and contemporary articles on higher education finance.

Finifter, David H., and Arthur M. Hauptman, editors. *America's Investment in Liberal Education.* San Francisco: Jossey-Bass Publishers, 1994.

This book is divided into three sections. The first section concerns the nature of liberal education generally. The second concerns issues related to who participates in liberal education. The third section, regarding how liberal education ought to be financed, summarizes several predominant theories concerning the financing of higher education.

Hines, Edward R., and John R. McCarthy. *Higher Education Finance: An Annotated Bibliography and Guide to Research.* New York: Garland Publishing, 1985.

This bibliography is an excellent resource for books and articles published on higher education finance before 1985. Resources are sorted within the book along general themes of financing higher education: financing and fiscal support of American higher education, general trends and the economics of higher education, governmental fiscal support for higher education, external funding and institutional development, student financial aid, institutional financial management, fiscal planning and management, and reduction, retrenchment and reallocation.

Hoenack, Stephen A., and Eileen L. Collins, editors. *The Economics of American Universities: Management, Operations, and Fiscal Management.* Albany: State University of New York Press, 1990.

This book provides an economic perspective on the ways universities carry out their financial business at both the micro and macro levels.

National Commission on Responsibilities for Financing Postsecondary Education. *Background Papers and Reports of the National Commission on Responsibilities for Financing Postsecondary Education.* Washington, D.C.: April 1993.

This collection of articles was commissioned in preparation for a national symposium on the responsibilities for financing higher education.

National Commission on Responsibilities for Financing Postsecondary Education. *Financing Higher Education in the 21st Century.* Washington D.C.: 1993.

These essays were presented at the national symposium referred to in the previous entry. This collection also includes transcripts of the meetings held.

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93-1 PUBLIC POLICY BY ANECDOTE: The Case of Community College Fees. By William H. Trombley. April 1993.

93-2 THE CALIFORNIA HIGHER EDUCATION POLICY VACUUM: The Example of Student Fees. By Patrick M. Callan. April 1993.

93-3 THE PRESS AND CALIFORNIA HIGHER EDUCATION. By William Chance. May 1993.

93-4 BY DESIGN OR DEFAULT? By Patrick M. Callan and Joni E. Finney. June 1993.

93-5 ON THE BRINK: The Impact of Budget Cuts on California's Public Universities. By Jack McCurdy and William Trombley. August 1993.

93-6 THE CLOSING GATEWAY: Californians Consider Their Higher Education System. By John Immerwahr and Steve Farkas. September 1993.

94-1 TIME FOR DECISION: California's Legacy and the Future of Higher Education. March 1994.

94-4 BROKEN PROMISES: The Impact of Budget Cuts and Fee Increases on the California Community Colleges. By Jack McCurdy. October 1994.

95-1 FINANCING THE PLAN: California's Master Plan for Higher Education, 1960-1994. By William Pickens. April 1995.

95-2 A STATE OF EMERGENCY? California's Crisis in Higher Education. By David W. Breneman. February 1995.

95-3 PRESERVING THE LEGACY: A Conversation with California Leaders. By John Immerwahr with Jill Boese. March 1995.

95-4 TRENDS IN STUDENT AID: California. By Lawrence E. Gladieux and Jacqueline E. King. April 1995.

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94-2 A MODEST PROPOSAL . . . for Saving University Research from the Budget Butcher. By Jack Miles. September 1994.

94-3 PRESERVING THE MASTER PLAN: What is to be Done in a New Epoch of More Limited Growth of Resources? By Clark Kerr. October 1994.

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93-1 THE PAST AS PROLOGUE: Examining the Consequences of Business as Usual. By Dennis P. Jones, Ronald G. Parker and Peter T. Ewell. June 1993.

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